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Securities and Exchange Commission
Washington, D. C. 20549

Form 10-Q

Quarterly Report under Section 13 or 15(d) of
The Securities Exchange Act of 1934

For the quarter ended
January 31, 1992

Commission file number
0-14655

TELETIMER INTERNATIONAL, INC.

Delaware	68-0086777
(State of Incorporation)	(IRS Employer Identification No.)

1801 Clint Moore Road
Boca Raton, Florida 33487-9987
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number (407) 994-9044

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of The Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YES___ NO X

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Common Stock $.001 par value 4,944,667 shares outstanding as of August 9, 1991.

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PART I

Item 1. Financial Statements

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TELETIMER INTERNATIONAL, INC.
(A Development Stage Company)
CONDENSED BALANCE SHEETS
January 31, 1992 and July 31, 1991

	January 31, 1992	July 31, 1991
ASSETS		
Current assets:		
Cash and cash equivalents	$ 29,764	$ 22,566
Accounts receivable	2,300	25,350
Prepaid expense, principally insurance	2,265	2,264
Total current assets	34,329	50,180
Furniture and equipment, net of accumulated depreciation of $169,693 and $150,157 (Note 3)	38,807	45,385
Other assets (net)	60,193	56,895
Investment in common stock (Note 12)	16,700	16,700
	115,500	118,980
Total assets	$ 149,829	$ 169,160

See accompanying notes

TELETIMER INTERNATIONAL, INC.
(A Development Stage Company)
CONDENSED BALANCE SHEETS
January 31, 1992 and July 31, 1991

	January 31, 1992	July 31, 1991
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable (Note 6)	$ 165,000	$ 285,000
Current portion of long-term capital leases (Note 5)	44,432	44,432
Accounts payable and other accrued expenses (Notes 9 and 14)	476,417	517,235
Unearned fees (Note 7)	4,200	380,000
Deposits on equipment sales (Note 8)	-	450,000
Total current liabilities	690,049	1,676,667
Long-term Liabilities:		
Notes payable (Note 6)	1,114,346	1,000,000
Total Liabilities	1,804,395	2,676,667
Commitments and contingencies (Notes 10 and 13)		
Stockholders' equity (Notes 1 and 11)		
Common stock:		
Par value $.001; 100,000,000 shares authorized, 4,944,667 shares issued and outstanding (Note 11)	4,945	3,945
Paid in capital	3,979,452	3,680,452
Deficit accumulated during the development stage	(5,638,983)	(6,191,904)
Total stockholders' equity	(1,654,586)	(2,507,507)
Total liabilities and stockholders' equity	$ 149,829	$ 169,160

See accompanying notes

TELETIMER INTERNATIONAL, INC.
(A Development Stage Company)
STATEMENTS OF OPERATIONS
for three months ended January 31, 1992 and 1991
and the period from July 14, 1980 (inception)
to January 31, 1992

	FOR THE PERIOD		
	Nov. 1, 1991 to Jan. 31, 1992	Nov. 1, 1990 to Jan. 31, 1991	July 14, 1980 (inception) to Jan. 31, 1992
Revenues:			
Sales	$ -	$ 140	$ 260,784
Interest income	748	-	169,043
Other income	-	230	98,472
Licensing Fees	100,000	-	1,650,000
Settlement income	-	-	250,000
R & D income	80,000	-	111,600
Consulting Fees	75,000	-	250,000
Total Revenues	255,748	370	2,789,899
Cost of sales	101,090	8,755	504,178
Research and development	8,512	21,541	782,871
Interest	29,850	35,244	407,235
Advertising and marketing	13,728	4,869	988,431
General and administrative	195,510	99,099	5,117,146
Loss on sale of investment	-	104,042	104,042
Minority interest	-	-	(134,534)
Settlement costs	-	-	125,000
Disposal of assets	-	-	534,495
Total expenses	348,690	271,550	8,428,882
Net profit (loss)	$(92,942)	$(271,180)	$(5,638,983)
Profit (Loss) per share (based on 4,944,667 and 3,944,667 weighted average number of common shares outstanding) in 1992 and 1991, respectively	$(.019)	$(.068)	

See accompanying notes

TELETIMER INTERNATIONAL, INC.
(A Development Stage Company)
STATEMENTS OF OPERATIONS
for the six months ended January 31, 1992 and 1991

	FOR THE PERIOD	
	Aug. 1, 1991 to Jan. 31, 1992	Aug. 1, 1990 to Jan. 31, 1991
Revenues:		
Sales	$ -	$ 350
Interest income	1,426	57
Other income	-	230
Licensing Fees	1,350,000	-
R & D Income	80,000	-
Consulting Fees	150,000	-
Total Revenues	1,581,426	637
Cost of sales	246,817	11,886
Research and development	20,319	32,578
Interest	72,037	81,120
Advertising and marketing	28,093	89,057
General and administrative	661,219	280,834
Loss on sale of investment	-	104,042
Total expenses	1,028,485	559,515
Net profit (loss)	$ 552,941	$(558,878)
Profit (Loss) per share (based on 4,895,754 and 3,944,667 weighted average number of common shares outstanding) in 1992 and 1991, respectively	$.112	$(.142)

See accompanying notes

TELETIMER INTERNATIONAL, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
for six months ended January 31, 1992 and 1991 and
the period from July 14, 1980 (Inception) to January 31, 1992
Increase (decrease) in Cash and Cash Equivalents

	FOR THE PERIOD		
	Aug. 1, 1991 to Jan. 31, 1992	Aug. 1, 1990 to Jan. 31, 1991	July 14, 1980 (Inception) to Jan. 31, 1992
Cash flows from operating activities:			
Net income (loss)	$ 552,941	$(558,878)	$(5,638,983)
Adjustments to reconcile net (loss) to net cash provided by operating activities:			
Depreciation and amortization	29,751	55,002	422,911
Shares in conjunction with agreements	-	-	192,564
Loss on disposal of assets	-	-	758,307
Marketing service from stock transfer	-	-	54,000
Loss on sale of investment shares	-	143,132	143,132
Change in assets and liabilities:			
Decrease (Increase) in accounts receivable	23,050	109,570	(99,205)
Decrease (Increase) in prepaid expenses	(1)	83,071	(2,265)
(Increase) in other assets	(14,458)	4,353	(125,381)
Increase (decrease) in accounts payable and accrued expenses	(40,818)	101,578	553,108
Increase (decrease) in payable to related party	-	25	1,399
Increase (decrease) in unearned fees	(375,800)	(350)	4,200
Increase in deposit on equipment sales	(450,000)	-	-
Total adjustments	(828,276)	496,381	1,902,770
Net cash (used) by operating activities	(275,335)	(62,497)	(3,736,193)

See accompanying notes

TELETIMER INTERNATIONAL, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
for six months ended January 31, 1992 and 1991 and
the period from July 14, 1980 (inception) to January 31, 1992
Increase (decrease) in Cash and Cash Equivalents, Continued

	FOR THE PERIOD		
	Aug. 1, 1991 to Jan. 31, 1992	Aug. 1, 1990 to Jan. 31, 1991	July 14, 1980 (Inception) to Jan. 31, 1992
Cash flows from investing activities:			
Purchase of furniture & equipment and revenue producing equipment	$(11,813)	$(4,995)	$(1,157,029)
Decrease in investments designated for the purchase of revenue producing equipment	-	-	-
Net cash (used) by investing activities	(11,813)	(4,995)	(1,157,029)
Cash flows from financing activities:			
Release of pledged certificate of deposit	-	-	600,000
Pledged certificates of deposit	-	-	(600,000)
Borrowings under line-of-credit agreements	-	-	1,315,000
Other borrowings	(5,654)	30,000	114,346
Repayments of line of credit	-	-	(150,000)
Proceeds from notes payable to stockholder	-	-	385,000
Repayment of notes payable to stockholder	-	-	(385,000)
Proceeds from issuance of common stock	300,000	-	3,369,664
Proceeds from stock transfer	-	-	61,869
Increase in receivable from related party in connection with stock transfer	-	-	-
Principal payments under capital lease obligation	-	-	(28,357)
Decrease (increase) in foreign restricted cash	-	-	(186,308)

See accompanying notes

TELETIMER INTERNATIONAL, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
for six months ended January 31, 1992 and 1991 and
the period from July 14, 1980 (inception) to January 31, 1992
Increase (decrease) in Cash and Cash Equivalents, Continued

	FOR THE PERIOD		
	Aug. 1, 1991 to Jan. 31, 1992	Aug. 1, 1990 to Jan. 31, 1991	July 14, 1980 (inception) to Jan. 31, 1992
Proceeds from issuance of subsidiary common stock	$ -	$ -	$ 308,300
Proceeds from issuance of investment stock	-	8,350	8,350
Increase (decrease)in minority interest	-	-	112,122
Increase in cumulative translation adjustment	-	(39,090)	-
Net cash provided (used) by financing activities	294,346	(740)	4,922,986
Net increase (decrease) in cash and cash equivalents	7,198	(68,232)	29,784
Cash and cash equivalents at beginning of period	22,566	68,836	-
Cash and cash equivalent at end of period	$ 29,784	$ 604	$ 29,784

See accompanying notes

TELETIMER INTERNATIONAL, INC.
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

1. Organization and Operations:

Teletimer International, Inc. (the Company) was organized on July 14, 1980, and since its inception has engaged in developing, operating and marketing a subscription energy management system. The system is a computer driven energy conservation program which monitors and regulates consumer energy consumption. The Company has developed and tested its system using various forms of transmission. Systems utilizing FM radio waves, cable television networks and, currently, telephone paging systems have been developed. Since its inception, the Company has been developing and testing its systems under various agreements with cable television companies, FM radio stations, public utilities and telephone companies.

2. Summary of Significant Accounting Policies:

The more significant accounting policies followed by the Company are summarized as follows:

Basis of Presentation

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is considered to be in the development stage as its planned operations have not yet generated significant revenue. The Company has incurred net losses of approximately $5,600,000 since its inception.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis, to comply with the terms and covenants of its financing agreements, to obtain additional financing or refinancing as may be required, and ultimately to attain profitable operations.

2. Summary of Significant Accounting Policies, continued:

Accounting for Investment in Common Stock

The financial statements include the accounts of Teletimer International, Inc. The Company has an investment in common stock of an affiliated company, Teletimer Europe, N.V. For the period from the formation of Teletimer Europe, N.V. in April 1989 through December 1990, the Company maintained a 60% ownership of Teletimer Europe, N.V. This investment was accounted for using the consolidation method during this period. In December 1990, the Company sold a portion of its investment thereby reducing its ownership percentage to 40%. As a result of this ownership reduction, the Company changed its method of accounting for this investment to the equity method. The Company's fiscal 1992 and 1991 financial statements reflect the use of the equity method, while the financial statements prior to 1991 reflect the use of the consolidation method.

Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation is calculated over the estimated useful lives (5 years) using the straight-line method.

Intangible Assets

Intangible assets are stated at cost. Amortization is calculated over the estimated useful lives using the straight-line method. Intangible assets included in other assets at January 31, 1992 and July 31, 1991 are comprised of patents, trademarks, and copyrights totaling $44,709 and $41,412 respectively, net of amortization.

Research and Development Costs

Research and development costs are charged to operations as incurred.

Statement of Cash Flow

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less which are not pledged as collateral to be cash equivalents.

2. Summary of Significant Accounting Policies, continued:

Statement of Cash Flow, cont'd

Interest payments were $49,969 and $25,972 for the six months ended January 31, 1992 and 1991, respectively. Excluded from the accompanying statements of cash flow are the effects of certain non-cash financing activities relating to the Company's satisfaction of $114,346 in accrued interest expense through the issuance of additional debt.(See Note 6). Additionally, in August 1991, the Company issued 1,000,000 shares of common stock to a related party for license fees valued at $300,000. (See Note 9).

Income Taxes

At July 31, 1991, the Company has a tax loss carry forward of approximately $6,000,000 which is available to offset future taxable income, if any, through 2004. Differences between book and taxable income will be accounted for under the provisions of the Statement of Financial Accounting Standards No. 96, Accounting for Income Taxes.

Foreign Currency Translation

The Company's investment in a foreign entity is translated at exchange rates in effect at the balance sheet date. Gains and losses from foreign currency translation are credited or charged to cumulative translation adjustment, included in stockholders' equity in the consolidated balance sheet. The cumulative translation adjustment at July 31, 1990 is $39,090.

3. Furniture and Equipment:

Furniture and equipment consist of the following:

	January 31 1992	July 31 1991
Leasehold Improvement	$ 9,454	$ 9,454
Furniture and Fixtures	27,634	27,634
Machinery and Equipment	171,212	158,454
	208,300	195,542
Less Accumulated Depreciation	169,693	150,157
	$ 38,607	$ 45,385

3. Furniture and Equipment, continued:

During fiscal 1990, due to changes in design and technology the tools, jigs and dies used for the manufacture of the responders and transponders comprising the Company's systems became obsolete. The fiscal 1990 financial statements reflect a loss of $93,451 related to the disposal of this equipment.

Included in the accompanying statements of operations for the six months ended January 31, 1992 and 1991 is $18,591 and $48,300, respectively, of depreciation expense related to furniture and equipment.

4. Revenue Producing Equipment:

During fiscal 1990, the Company determined that, due to changes in the design and technology of its products, much of its revenue reproducing equipment would no longer be utilized. Accordingly, the 1990 financial statements reflect a loss of $370,422 related to the disposal of this equipment. Additionally, during 1990, certain equipment was used in the Company's research and development activities resulting in a charge of $223,812 being recorded as research and development expense. Included in the statements of operations for fiscal year 1990 is depreciation expense of $20,391 related to this equipment.

5. Leased Revenue Producing Equipment:

The Company leased equipment under a financing agreement and the Company accounted for this as a capital lease in accordance with Statement No. 13 of the Financial Accounting Standards Board. During fiscal 1990, the Company determined that due to changes in the design and technology of its products this leased equipment would no longer be utilized and deemed it to be obsolete. Accordingly, the 1990 financial statements reflect a loss of $70,622 related to the disposal of this equipment. During 1990, the Company defaulted on its obligation under this capital lease. The full outstanding balance in addition to late fee charges is presently due. The amount outstanding at January 31, 1992 and July 31, 1991 amounted to $44,432.

6. Notes Payable:

Notes payable consisted of the following:

	January 31 1992	July 31 1991
Note payable under a line of credit of $165,000 with a financial institution, interest at prime rate, principal currently past due, original due date November 1990	$ 165,000	$ 165,000
Notes payable to a corporation interest at 18%	-	65,000
Notes payable to Euro-Am Finance Corporation (Euro-Am), interest at 18%, original due dates from February 1991 thru April 1991	-	55,000
TOTAL NOTES PAYABLE	$ 165,000	$ 285,000

Long-term Notes payable consisted of the following:

	January 31 1992	July 31 1991
Note payable to Bell Atlantic Tricon Leasing Corp., interest at prime rate plus 2%	$1,000,000	$1,000,000
Convertible note payable to Euro-Am Finance Corporation, interest at prime rate plus 2%	114,346	-
	$1,114,346	$1,000,000

Long-term note payable to Bell Atlantic Tricon Leasing Corporation was restructured effective August 1991, with principal payments due monthly beginning in November 1992.

6. Notes Payable, continued:

In August 1991 the Company entered into a financing agreement with Euro-Am Finance Corporation (Euro-Am) whereby Euro-Am is prepared to advance up to $250,000, primarily for purposes of paying accrued interest on the note payable to Bell Atlantic Tricon Leasing Corporation. The first $104,667 advanced is convertible into the Company's common stock at the rate of $.20 per share. Advances beyond that sum are convertible at a rate based upon the current market price of the Company's common stock. The entire principal is payable on a schedule to be agreed upon by the two parties, but no later than August 1995.

Principal payments on obligations at July 31, 1991 are as follows:

1993	$ 220,000
1994	780,000
	$1,000,000

The principal payment terms of the note payable to Bell Atlantic Tricon Leasing, as amended, extended the principal payment period resulting in less principal coming due in any year than under the original terms. (See Note 14).

7. Licensing:

Effective January 30, 1989, the Company entered into an agreement with Bell Atlantic Network Services, Inc., whereby the Company will provide Bell Atlantic the following within the Bell Atlantic region:

a. exclusive rights within their region to purchase and distribute Teletimer's equipment and any other products of Teletimer's, if applicable, which provide comparable functions;

b. exclusive rights within Bell Atlantic's region to provide transport of Teletimer's generated energy management signals;

c. energy management signal generation for transport by Bell Atlantic;

7. Licensing, continued:

d. exclusive rights within Bell Atlantic's region to provide all billing and collection services in connection with the system.

The Company received a license fee payment on February 9, 1989 of $400,000 and $30,000 as a prepayment for the purchase of equipment. Under the Agreement as amended on October 18, 1989, accepting the delayed delivery on July 1, 1989, the Company has provided eight test transponders. The equipment has proven to be acceptable to Bell Atlantic and compatible with its paging system. The amendment also included a change of the "Trial Period" from July 1, 1989 through December 31, 1989 to November 1, 1989 through June 30, 1990. The Company has recognized $300,000 of license fees as revenue and approximately $74,000 of related expenses, based on Bell Atlantic's acceptance of the test transponders for field tests. The additional license payment of $200,000 was received May 17, 1989. $300,000 of the monies received was included in unearned fees as of July 31, 1991, pending completion of the field trial by Bell Atlantic.

For a period of 24 months from November 17, 1989, the Company granted exclusive rights to Bell Atlantic Network Services to act as the provider of transport, customer premise equipment and billing services for Teletimer's Wide Area Energy Management Service, or any other similar service provided by Teletimer throughout the United States and its possessions. This exclusive requires that any deployment of the Wide Area Energy Management Services outside of Bell Atlantic's region, which is undertaken during this 24 month period be undertaken with Bell Atlantic providing the transport, customer premise equipment, and billing services in accordance with the same terms and conditions called for in the agreement between Bell Atlantic Network Service and the Company governing deployment of Wide Area Energy Management Service within Bell Atlantic's region.

7. Licensing, continued:

Bell Atlantic may also elect to subcontract the performance of these services to a third party. However, if Bell Atlantic elects to neither perform these services itself nor subcontract these services to a third party, Bell Atlantic will grant the Company written permission to enter into non-exclusive agreements with third parties of the Company's choosing.

On August 16, 1991, the Company consummated a license and field trial agreement with Bell Atlantic Network Services, Inc. (BANSI). The agreements superseded all previous agreements the Company had with BANSI. Under the license agreement, the Company granted the exclusive rights to use Teletimer Energy Saving Service (TESS) technology including all such patents relating to such information which may be granted by any TESS related purpose including the right to license others and to procure TESS equipment from sources other than the Company. Such license is applicable to the United States, its possessions and territories. In consideration for granting such license, the Company received $300,000 upon the execution of the agreement and delivery of TESS technology and three installments of $100,000 paid at 30 day intervals following execution. Additionally, all amounts previously paid to the Company by BANSI under earlier licensing, equipment purchase and other agreements, which payments were subject to performance provisions which if not met would require repayment to BANSI, were to be applied as consideration for the license and the Company was released from all prior agreements with BANSI. The $300,000 and $450,000 recorded as unearned fees and deposits, respectively, at July 31, 1991, were recorded as license income in August 1991.

Under the field trial agreement, the Company and BANSI will participate in a field trial at locations to be mutually agree upon. In general, the Company and BANSI have certain rights in technology capable of performing various functions related to Teletimer Energy Saving Service (TESS). The Company intends to operate the command center and generate the control signals at the command center until such time as judicial and regulatory relief is granted to BANSI allowing BANSI to perform such activities.

7. Licensing, continued:

The Company will offer TESS services with BANSI's support during a period designed to evaluate the TESS service and associated equipment and transport and to evaluate the nature and extent of customer interest in TESS service.

In addition, BANSI, as the exclusive national license holder, appointed the Company to act as BANSI's non-exclusive agent during the term of this agreement to negotiate sublicenses to other firms authorizing such sublicensee firms to provide billing and collection, transport and equipment, installation and maintenance, in connection with TESS.

If BANSI obtains all necessary judicial and/or regulatory approvals, the Company shall allow BANSI to purchase and operate the Company's command center(s) and all associated software, including any additional new command centers required by BANSI.

At such time as such judicial and/or regulatory approvals are obtained, all marketing information, including but not limited to market plans and customer account information, shall become exclusive property of BANSI, and shall be delivered to BANSI by the Company.

In consideration of BANSI performing marketing and signal generation, BANSI will be entitled to receive 95% of the revenues actually collected from new customers for the provision of the service and the Company shall be entitled to a payment of 5% of such new customer revenues. Also, at that time, should analysis of the pricing and cost plans for TESS change so as to improve BANSI's operating profits from subscription revenues the parties will renegotiate upward the amount of such revenue payment to the Company to a mutually agreeable level.

In connection with the above, Bell Atlantic Network Services, Inc. entered into an agreement with ADC which provides that if Teletimer International, Inc. fails to perform the enhancement functions, Bell Atlantic Network Services, Inc. will retain ADC to provide technical assistance, software maintenance, support and development of enhancements to the TESS system and compensate ADC for such.

7. Licensing, continued:

Upon completion of the field trial, BANSI, at its option, will either proceed with the project including installation, maintenance and distribution of equipment, the provisioning of transport and billing and collection for such period as may be determined at BANSI's sole option, or BANSI may terminate the relationship. In June 1992, BANSI indicated its intentions to terminate the relationship.

8. Home Automation Equipment:

Effective January 30, 1989, the Company signed an $825,000 agreement with Bell Atlantic Network Services, Inc. whereby the Company was to deliver, by October 15, 1989, 500 sets of six modules applicable to the Company's Home Automation System and grant to Bell Atlantic during the period August 15, 1989 to February 15, 1990, exclusive world-wide marketing rights for the modules and agreed to complete the delivery of 500 each of six modules by October 15, 1989. Bell Atlantic has made partial prepayments of the 500 units of each of six different modules for evaluation in the amount of $450,000, which is included in deposits on equipment sales as of October 31, 1991, pending delivery of equipment to Bell Atlantic. (See Note 7 above). If all six modules were found to be acceptable by Bell Atlantic, Bell Atlantic would submit to the Company another $275,000 partial payment.

Effective October 18, 1989 this agreement was amended to extend delivery dates of conditionally accepted modules at intervals from September 6, 1989 through June 30, 1990. Accordingly, upon receipt and acceptance of modules, Bell Atlantic was to make additional partial payments to Teletimer in April 1990, May 1990, and final payment in June 1990. The final payment was to include price increases in module costs due to the addition of module features for Bell Atlantic resulting in an increase of total contract value to $1,170,500.

9. Related Party Transactions:

The Company has a sixty-year license agreement which began June 15, 1982 with Associated Data Consultants, Inc. ("ADC"), whose president is a shareholder of the Company and the spouse of the President of the Company, for annual royalty payments equal to 7% of the Company's gross revenues and the reimbursement of certain development costs. Total annual royalty fees amounted to $0, $525, and $24,983 for the years ended July 31, 1991, 1990 and 1989, respectively.

In addition, certain costs for legal services related to patents, trademarks and copyrights were reimbursed to ADC by the Company, amounting to $0, $6,895 and $38,812 for the years ended July 31, 1991, 1990, and 1989, respectively.

Included in advertising and marketing costs in 1991, 1990 and 1989 are $0, $66,000 and $82,696, respectively, in fees to Economic Planning Associates, Inc. (EPA), a Company which is controlled by the son of the President of the Company and a shareholder of the Company. Such fees are the result of a service agreement entered into April 2, 1987 which requires EPA to actively seek and obtain contracts with cable companies and FM radio stations to serve as a medium for the Company's services in return for a monthly retainer of $3,000 and a bonus of $.03 per carrier subscriber for stations which have executed a contract as a result of their efforts. In addition, certain costs for outside services, travel and meetings, telephone and auto expenses were reimbursed to EPA by the Company. Such costs amounted to $0, $56 and $4,978 for the years ended July 31, 1991, 1990 and 1989, respectively.

Effective February 28, 1990 the Company canceled the consulting agreement with Economic Planning Associates, Inc.

9. Related Party Transactions, continued:

A summary of these related parties transactions follows for the six months ended January 31, 1992 and 1991, and the period from July 14, 1980 (inception) to January 31, 1992:

	Aug 1, 1991 to Jan 31,1992	Aug 1, 1990 to Jan 31,1991	Since Inception
Auto Rent Expense	$ -	$ 2,475	$ 32,550
Advertising and Marketing Costs	-	-	241,402
Research and Development Costs	-	-	115,510
Royalty Fees	159,043	-	194,175
Other Expenses	-	-	130,768

On July 16, 1987, EPA purchased 997,027 shares of the Company's stock from Vintage Group, Inc. ("Vintage") for $500,000. The funding of such purchase was provided by a commercial bank and the shares of stock were pledged as collateral by EPA. The Company guaranteed this loan, and pledged a $500,000 certificate of deposit as collateral for such guaranty. Under the terms of the agreement the Company received a $5,000 guaranty fee and the right to receive 50% of the proceeds, net of costs, from the sale of the shares by EPA. This loan was paid off on May 31, 1988 and the Company is no longer liable under such guaranty.

During December 1989 and January 1990, EPA sold 303,000 shares for $698,230. In accordance with the agreement the Company has the right to 50% of the net proceeds.

During 1990, EPA earned $54,000 in accordance with the service agreement previously described from the delivery of a signed contract with a radio station in Miami, Florida. The Company has offset this amount against the receivable due EPA reducing the receivable to $294,115. Due to the uncertainty regarding the collection of this receivable, the Company has not recorded the receivable and related equity. Such amounts will be recorded when received.

10. Commitments:

The Company has an employment agreement with its President which extends to March 1994 at an annual salary of approximately $140,000.

The Company leases a van under a four year lease which expires in January 1992. Warehouse space has been leased by the Company under a month-to-month lease through the current fiscal year. In addition, the Company had a four year non-cancelable operating lease agreement for office space which expired July 15, 1991. The Company has entered into a two-year renewal option under the lease. Aggregate future minimum lease payments under such lease are as follows:

Year ended July 31,	1992	$ 44,800
	1993	46,600
	Total	$ 91,400

Total rental expenses charged to operations during the years ended July 31, 1991, 1990 and 1989 were $48,757, $68,944 and $71,331 respectively.

11. Stockholder's Equity:

Stock Offering

On March 11, 1987, the Company sold 1,625,000 shares of its common stock at a price of $2.00 per share. This transaction resulted in proceeds to the Company as follows:

Gross Proceeds	$3,250,000
Issuance Costs	(623,380)
Net Proceeds	$2,626,620

As part of the above sale of stock, the Company sold for $175 to the underwriters 175,000 warrants to purchase shares of common stock for $2.80 per share, which were exercisable until October 31, 1991. No such warrants were exercised.

In August 1991, the Company issued 1,000,000 shares of common stock to ADC, a related party (see Note 9) in exchange for license fees valued at $300,000.

11. Stockholder's Equity:

Preferred Stock

At the annual meeting in January 1989, the shareholders approved the proposal to amend the Articles of Incorporation to authorize a class of preferred stock. No such preferred stock has been issued.

Reverse Split

Effective March 31, 1989, the Board of Directors authorized a 1 for 10 reverse stock split of the Company's $0.001 par value common stock. As a result of the reverse split, 36,250,000 shares automatically became 3,625,000 shares. All references in the accompanying financial statements to the number of common shares and per share amounts have been restated to reflect the reverse stock split.

Long-Term Incentive Plan

The stockholders approved a long-term incentive plan ("Plan") at the annual meeting in December 1987.

The Plan provides for awards in the form of incentive stock options, non-incentive stock options, stock appreciation rights, and restricted stock. Each award shall be on such terms and conditions, consistent with the Plan, as the committee administering the Plan may determine.

The Plan authorizes the issuance of up to 360,000 shares of the Company's common stock. Shares may be either authorized but unissued shares, or reacquired shares held by the Company in its treasury.

11. Stockholder's Equity, continued:

Long-Term Incentive Plan, continued:

In June 1988, options for 100,000 shares were granted under the plan to certain officers and employees. At July 31, 1991, only 50,000 of these options remain outstanding. These options are exercisable 20% per year, cumulatively, until July 31, 1993 at a per share price of $2.97, which was the estimated market value per share at the time of grant.

In August 1991, the Company granted additional options for 115,000 shares of common stock to certain officers and employees. These options are exercisable at 20% per year, cumulatively, for the next five years at a price of $0.50 per share, which was the estimated market value per share at the time of grant.

None of the above stock options have been exercised.

12. Teletimer Europe, N.V.:

On April 24, 1989, the Company, along with a group of European investors, formed Teletimer Europe, N.V. Teletimer Europe, N.V. was capitalized with 21,750,000 Belgian Francs (US$543,071) of which 20,810,400 Belgian Francs was contributed by a European investor group known as Intervent, representing 40% ownership of the common stock. The Company retained 60% ownership in return for a capital contribution of 939,600 Belgian Francs (US$24,552) and a license agreement granting Teletimer Europe, N.V. the right to market the Company's products, systems and services and to relicense to other companies within the European Economic Community. The $308,300 difference between the Company's contribution toward the capitalization of Teletimer Europe, N.V. and its 60% share of equity ownership was treated as a contribution to paid in capital.

12. Teletimer Europe, N.V., continued:

As of July 31, 1990, the Company had foreign restricted cash in the amount of $186,308. This amount was restricted by the organizers of Teletimer Europe, N.V. for the purpose of developing and marketing Teletimer products within the European Economic Community and cannot be distributed, or used, to meet the obligations of the parent. The audited financial condition and results of operation of Teletimer Europe, N.V. as of July 31, 1990 are as follows:

Assets		Liabilities and Stockholders' Equity	
Restricted Cash	$186,308	Accounts Payable and Accruals	$ 76,690
Accounts Receivable	96,905	Common Stock	553,118
Revenue Producing Equipment	13,450	Accumulated Translation Adjustment	83,521
Fixed Assets, net	55,194		
Other Assets	5,137	Deficit	(336,335)
		Total Liabilities & Stockholders' Equity	
Total Assets	$356,994		$356,994

Results of Operations	
Operating Income	$ 82,726
Selling, General and Administrative	376,956
Loss from Operations	(294,230)
Interest Income	27,573
Other Income	3,221
Net Loss	($263,436)

12. Teletimer Europe, N.V., continued:

Results of Operations, continued

In December 1990, the Company sold one-third of their common stock to the European investor group for $8,350, reducing their ownership to 40%. The fiscal 1991 financial statements reflect a loss of $143,132 on this transaction. The unaudited financial condition and results of operation of Teletimer Europe, N.V. as of July 31, 1991 are as follows:

ASSETS

	Unaudited
Cash and cash equivalents	$ 3,023
Accounts receivable	101,916
Fixed assets, net	21,969
Other assets	4,240
	$ 131,148

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable	$ 20,494
Common stock	553,118
Accumulated translation adjustment	41,471
Deficit	(483,935)
	$ 131,148

RESULTS OF OPERATIONS

Operating income	$ 109,432
Selling, general and administrative	266,230
Loss from operations	(156,798
Interest income	6,699
Other income	2,499
Net loss	$(147,600)

13. Contingencies:

The Company is a party to a lawsuit alleging breach of an agreement whereby the plaintiff is seeking judgment of approximately $395,000, plus compensatory, punitive and exemplary damages and interest. Management does not believe that the ultimate outcome of present or threatened litigation of which it is aware will have a material adverse effect on the accompanying financial statements.

Management believes that the Company's cash needs for the fiscal year ending July 31, 1992 will be satisfied from additional capital through private placement of equity securities or debt. However, no assurance can be made with respect to the Company's success in these matters.

14. Subsequent Event:

In June 1992 the Company was in default of its loan agreement with Bell Atlantic Tricon Leasing Corp. ("TRICON"), which is secured by its TESS technology. Also, since BANSI indicated its intention to terminate its consulting agreement with the Company, Euro-Am has notified the Company that it will stop funding under their loan agreement, and has accelerated the obligations due to Euro-Am, approximately $157,000 at June 30, 1992.

ADC asserts that as of April 30, 1992 the Company owes it approximately $170,000 in cumulative royalties for the period August 1, 1989 through April 30, 1992. The Company has accrued $159,043 in royalties for the six months ended January 31, 1992 and included it in cost of sales in the accompanying financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company is emerging from the development stage. As such, the Company has been heavily engaged in the development of products, analysis and exploration of markets, and establishment of people and resources to exploit opportunities targeted. Sizable investments have been made in the development and production of revenue producing equipment for the Company's energy saving system and for equipment to be sold through distribution. The Company now has established specific products and systems.

All in-house product development is included in general and administrative expenses since the Company has no separate engineering department or operation. These expenditures for product, market, and personnel development are expected to be of considerable benefit to the Company in future years.

At July 31, 1991, the current liabilities included accounts payable and accrued expenses in the amount of $517,235. They also consist of notes payable in the amount of $285,000, unearned fees of $380,000, deposits on equipment sales of $450,000, and current portion of capital lease obligation of $44,432.

The expenses incurred in our product, market, and personnel development activity have adversely impacted the Company's working capital.

At January 31, 1992, the current liabilities included accounts payable and accrued expenses in the amount of $478,417. They also consist of notes payable in the amount of $185,000, unearned fees of $4,200, and current portion of capital lease obligation of $44,432.

LIQUIDITY AND CAPITAL RESOURCES

Since its inception in July 1980, the Company has operated at a loss. At January 31, 1992, the Company had assets of $149,829 and liabilities of $1,804,395.

At January 31, 1992, the Company had a working capital deficit of $655,720 as compared to a working capital deficit of $1,626,487 at July 31, 1991. The decreased deficit resulted primarily from the Company's operating income of $552,941 during the six months ended January 31, 1992.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS Cont'd

LIQUIDITY AND CAPITAL RESOURCES, continued

For the past 24 months the Officers and Directors of the Company have diligently explored and pursued opportunities to improve the Company's working capital position. Despite meetings with and presentations to investment banking companies, commercial banks and venture capital organizations, no suitable opportunities could be arranged. All preliminary proposals appeared to be either too expensive or to adversely affect the Company's shareholders.

In order to maintain operations, on April 4, 1989, the Company entered into an agreement with Noble Investment Company for the Private Placement of Common Stock. Under the terms of the agreement, up to 500,000 shares were offered at $2.20 per share, with two warrants issued for every five shares purchased, these warrants entitled the holder to purchase additional shares at $3.00 per share for a period of two (2) years. The shares have not been registered under the Securities Act of 1933 and, therefore, contain substantial restrictions of transferability.

As of July 31, 1989, 218,385 shares had been sold yielding the Company net proceeds of $428,443. As part of the agreement, the Company issued to the underwriters 21,838 warrants to purchase shares of Common Stock for $2.60 per share exercisable until July 31, 1991.

In addition, the Company issued 86,555 warrants to the purchasing shareholders to purchase shares of Common Stock at $3.00 per share exercisable until July 31, 1991.

Because the Private Placement did not raise the expected $1,100,000, the Company continued to have a working capital deficit. By October 20, 1989, the cash position of the Company was ($120,000). Additional capital financing was required by November 15, 1989 to enable the Company to meet its obligations as they become due.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS Cont'd

LIQUIDITY AND CAPITAL RESOURCES, continued

The Board of Directors approved a long term financing arrangement with Bell Atlantic Tricon Leasing Corporation in order to strengthen the Company's financial position. The loan includes $1,000,000 drawn by Teletimer on November 17, 1989, with options based on need and performance, determined solely by Tricon Leasing, for two additional draws of $500,000 each, available at the 12th month and the 18th month. The original loan term was 30 months with the interest rate at prime rate plus 2% and with an origination fee of 2% paid annually. Originally, payments were to be made monthly of interest only for the first 12 months with principal payments starting the 13th month. The loan was modified in August 1991 with principal payments beginning in November 1992.

RESULTS OF OPERATIONS

There was an increase in revenues, not including interest income, in the quarter ended January 31, 1992 as compared to the quarter ended January 31, 1991. The increase was due to a new licensing agreement with Bell Atlantic.

The Company realized net loss of $92,942 for the quarter ended January 31, 1992 on total revenues of $255,748. $255,000 of such revenues resulted from operations. Income in the amount of $748 was derived from interest on temporary investments.

The Company realized a net loss of $271,180 for the quarter ended January 31, 1991.

General and administrative expenses for the quarters ended January 31, 1992 and 1991 were $195,510 and $99,099, respectively. Advertising and Marketing expenses for the quarters ended January 31, 1992 and 1991 were $13,728 and $4,889, respectively.

Research and development expenses for the quarters ended January 31, 1992 and 1991 were $8,512 and $21,541, respectively.

Interest expense for the quarters ended January 31, 1992 and 1991 were $29,850 and $35,244, respectively.

OTHER MATTERS

Marketing Agreement

On December 1, 1989, the Company entered into an agreement with Strategic Marketing, a Division of World Perspective Communications, Inc., whereby Strategic Marketing would provide advertising and marketing services to the Company for a period of 13 months. Under the terms of the agreement, Strategic Marketing received a cash payment of $20,000 and on December 18, 1989 was issued 71,500 shares of the Company's common stock restricted under SEC Rule 144 with rights to register such stock. As a result of issuance of these shares, additional paid-in capital and marketing expenses were increased by $133,638 on a pro rata basis for eight months.

The Company suspended the agreement with Strategic Marketing for a period of ninety days effective May 1, 1990. No payments will be made nor will any advertising and marketing services be provided during the period of suspension.

Corporate Relations Services

On December 1, 1989, the Company entered into an agreement with the Strategic Relations Group, Inc. (Strategic) whereby Strategic would provide corporate relations services related to shareholder identification, shareholder list up-dating and shareholder relations. In addition, Strategic would provide mailings of Company's information to brokers and broker clients as well as provide communication contact in connection with telephone inquiries directed to the Company for a period of 12 months. Under the terms of the agreement, Strategic was issued 31,200 shares of the Company's restricted common stock subject to SEC Rule 144 with rights to register. In addition,, three quarterly payments of $15,000 each are to be made starting February 1990.

As a result of the issuance of the 31,782 shares, additional paid-in capital and marketing expenses were increased by $58,822 on a pro rata basis for eight months.

The Company has suspended the agreement with the Strategic Relations Group, Inc. for a period of ninety days effective May 1, 1990. No payments will be made nor will any corporate relations services be provided during the period of suspension.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS Cont'd

NASDAQ Listing

NASDAQ transmitted a February 6, 1990 letter which advised the Company that a temporary exception to paragraph 1 (c) (3) of Part II of Schedule D of the NASDAQ Bylaws had been granted. The exception required the Company to file with the SEC and NASDAQ, on or before March 26, 1990, a Form 8K evidencing an equity infusion in an amount that will bring the Company into compliance.

On March 22, 1990, the Company was formally notified by the NASD that as of March 26, 1990 the exception and subsequent extensions will expire and the Company must be in compliance with all requirements necessary for continued inclusion on the NASDAQ system. The Company was unable to meet all the requirements and therefore is no longer included on the NASDAQ system. The Company is listed under the symbol TLTM on the NASD bulletin board quote system.

TELETIMER INTERNATIONAL, INC.
PART II
OTHER INFORMATION

Item 1. Legal Proceedings

Not Applicable

Item 2. Changes In Securities

Not Applicable

Item 3. Defaults Upon Senior Securities

Not Applicable

Item 4. Submission of Matters to a Vote of Security Holders

None during this quarter

Item 5. Other Information

Not Applicable

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits - None Required

(b) Report - None

SIGNATURES

Pursuant to the requirements of The Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TELETIMER INTERNATIONAL, INC.

Date: 7/24/1992 By: R.J. Brown, Jr.
Robert J. Brown, Jr., President

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